

M A N I T O B A) Order No. 59/12
)
THE PUBLIC UTILITIES BOARD ACT) May 10, 2012

BEFORE: Susan Proven, P.H.Ec., Acting Chair
Monica Girouard, CGA, Member

RURAL MUNICIPALITY OF ALEXANDER
GREAT FALLS WATER AND SEWER UTILITY
CAP DORE WATER DISTRIBUTION AND CAP DORE/ST. GEORGES SEWER COLLECTION
AND TREATMENT UTILITY
PINE GROVE WATER TREATMENT AND DISTRIBUTION UTILITY
TRUCK HAUL UTILITY
RATES 2012, 2013 AND 2014

Executive Summary

The Public Utilities Board (Board) will vary parts of the application submitted by the Rural Municipality of Alexander with regard to their current Water and Sewer Utility in Great Falls (Great Falls), their previously declared Cap Dore Water Distribution and Cap Dore/St. Georges Sewer Collection and Treatment Utility (Cap Dore), their newly established Pine Grove Water Treatment and Distribution Utility (Pine Grove) and their proposed new Truck Haulers Utility in Traverse Bay and on Highway 304.

The variances will be to the rates applied for by the Cap Dore sewer rates and the Pine Grove water rates.

Rates for Great Falls are approved as follows, effective January 1 of each of the years:

Commodity Rate \$/1,000 gallons	2012	2013	2014
First 20,000 gallons	\$17.55	\$13.75	\$14.00
Over 20,000 gallons	\$17.55	\$13.75	\$14.00
Sewer	\$10.00	\$10.30	\$10.65
Quarterly Service Charge	\$15.00	\$15.00	\$15.00
Minimum Quarterly*	\$97.65	\$87.15	\$88.95
Bulk Water	\$10.00	\$10.30	\$10.65
Hydrant Rental Charge	\$100.00	\$100.00	\$100.00

*Includes 3,000 gallons

Rates for Cap Dore and St. George Sewer Collection System are approved as follows, effective January 1 of each of the years:

Commodity Rate(Quarterly-\$/REU*)	2012	2013	2014
Water	\$43.75	\$44.13	\$44.51
Sewer	\$20.22	\$19.83	\$18.85
Quarterly Service Charge	\$4.05	\$4.65	\$4.80
Minimum Quarterly	\$68.02	\$68.61	\$68.16
Hydrant Rental Charge	\$100.00	\$100.00	\$100.00
Reconnections Fee	\$30.00	\$30.00	\$30.00

*Residential equivalent unit

Annual rates for Pine Grove water system are approved as follows, effective January 1 of each of the years:

Pine Grove Annual Water Charges		
2012	2013	2014
\$183	\$187	\$190

The Truck Haul Utility is declared to be a public utility. Annual rates for the Truck Haul Utility are approved as follows, effective January 1 of each of the years:

Customer Annual Charge	\$15.00
Commodity Rates per 1,000 gallons	\$3.70
2,000 gallon vehicle	\$7.40
3,000 gallon vehicle	\$11.10
4,000 gallon vehicle	\$14.80
5,000 gallon vehicle	\$18.50

Introduction

The Rural Municipality (RM) filed an application in June 2011. The request affected four utilities operated by the RM, including one which has yet to be declared a public utility, namely the Truck Haul Utility in Traverse Bay/Highway 304. The RM sought revised rates effective January 1, for each of 2012, 2013 and 2014.

In conducting its reviews, the Board has the option of addressing applications by either a paper review process or by public hearing. In this instance, because of the complexities of the application and the length of time since the last rate setting, the Board determined that a public hearing would be in the best interest of the utility and customers alike.

A Notice of Application and Public Hearing dated September 15, 2011 was mailed to customers and posted in eight prominent locations within the municipality. The Public Notice advised of a hearing to be held on October 19, 2011, and invited customers to familiarize themselves with the application, to provide comments to either the RM or directly to the Board, ahead of the hearing, and to attend the hearing to express their views and concerns.

Background

The RM operates the following four utilities:

1. The Great Falls Water and Sewer System

The Great Falls Water and Sewer System services 87 customers. Treated water is provided to the utility by Manitoba Hydro; Manitoba Hydro does not charge the RM for the treated water.

The RM operates the water distribution system and the sewage collection and treatment system.

The water supply does not currently meet water quality standards and the community is under a "boil water advisory". Manitoba Hydro is investigating solutions, however, it appears that the treatment plant requires major capital improvements in order to be able to address water quality issues.

The RM provides a low-pressure sewer service to the residents; all wastewater is pumped to the St. George lagoon. However, the residents arrange for haulers to haul their septic tank waste to the Highway 304 lagoon. The RM does not currently charge for use of the lagoon.

2. Cap Dore Water Distribution and Cap Dore/St. Georges Sewer Collection and Treatment Utility.

The Cap Dore Water Distribution System, has 20 customers and also serves the Uphill Water Co-op. It currently levies no charges.

The St. Georges sewer service consists of a low-pressure sewage collection system connected to a three-cell lagoon. No other septic waste is dumped into this lagoon. This system services approximately 100 customers.

These customers receive their water services from a water co-op which is not operated by the RM. They are billed separately by the co-op for the water service.

3. The Pine Grove Water Treatment and Distribution System

The Pine Grove Water Treatment and Distribution System services 60 customers, most of which are seasonal. Raw water is provided to a cottagers' association which manages the system (although the RM pays the operating costs) and who are responsible for water testing to meet standards.

This system is not currently regulated, although by definition it is considered a public utility under the jurisdiction of the Board.

4. The Traverse Bay Lagoon and Highway 304 Truck Haul Lagoon (referred to as the Truck Haul Utility)

This system has yet to be declared a public utility. The RM does not charge for the use of these lagoons, except that haulers are required to pay a one-time registration fee. The RM estimates that 1000 permanent residents and 6000 seasonal residents use the Traverse Bay lagoon, and that 125 residents of St. Georges and some 400 users from the neighbouring Town of Powerview/Pine Falls use the Highway 304 lagoon.

Application for rates

The RM's application was accompanied by four By-laws read for the first time on June 14, 2011, one for each utility, as well as a rate study prepared by the RM's consultant, Mr. G.O. Barron FCGA.

The application recommended that the truck haul utility be declared a public utility and that Pine Grove, which is a public utility by

definition, be acknowledged as a utility and brought within the scope of the Board processes. The St. Georges sewer utility has previously been declared a public utility by the Board.

The application requested rates to be set by the Board for each of the utilities for 2012, 2013 and 2014. It is of note that the rate study, and the rates determined in that rate study, are based on expense projections for 2011, 2012 and 2013, whereas the recommended rates are for 2012, 2013, 2014, apparently putting them one year out of sync.

1. The Great Falls water and sewer system

The following rates were proposed in By-law 09/11

Commodity Rates per 1,000 gallons	Water	Sewer	Quarterly Service Charge	Minimum Quarterly*
Current Rate (1994)	\$1.59**/ \$1.23***	\$5.07	\$8.45	\$28.43
2012	\$17.55	\$10.00	\$15.00	\$97.65
Increase (Decrease)	1004%	97%	78%	244%
2013	\$13.75	\$10.30	\$15.00	\$87.15
Increase (Decrease)	(22%)	3%	0	(11%)
2014	\$14.00	\$10.65	\$15.00	\$88.95
Increase (Decrease)	2%	3%	0	2%

*Includes 3,000 gallons

**First 20,000 gallons

***Over 20,000 gallons

Rates were last set in 1994.

The proposed rates were based on the following expense projections:

	2011	2012	2013
General administration	5,750	5,750	5,750
Less: offset revenue	595	595	595
Net general	5,155	5,155	5,155
Water			
Water related expenses	8,500	8,755	9,018
Amortization/ depreciation	1,174	1,174	1,174
Minor capital upgrades	12,000	7,000	7,000
Contingency	2,000	2,000	2,000
<i>Less: Revenue:</i>			
Hydrant rentals	(800)	(800)	(800)
Amortization of capital grants	(1,174)	(1,174)	(1,174)
Net water	21,700	16,955	17,218
Sewer			
<i>Expenses:</i>	9,400	9,682	9,972
Amortization/ depreciation	15,060	15,061	15,061
Contingency	3,000	3,000	3,000
Amortization of capital grants	(15,060)	(15,061)	(15,061)
Net sewer	12,400	12,682	12,972

The RM charges Great Falls a flat fee of \$5,750 for shared services.

The application proposes to collapse the current two-step rates into one, noting that there is only one customer with any material advantage using the declining block rate. The move is premised on water conservation.

The 2011 expenditure base includes a capital expenditure which will not recur in subsequent years.

The application makes note of the fact that the bulk rates have been set higher than would be indicated using Board approved methodology. However, it also notes that the meter at the

standpipe does not work, so the volumetric charge is not applied. Rather, customers have been issued keys and are charged flat rates. Unfortunately, many customers are not paying, and it not expected that the RM will be able to collect. The unpaid amounts will have to be written off.

2. Cap Dore Water Distribution and Cap Dore/St. Georges Sewer Collection and Treatment Utility.

The following rates were proposed in By-law 10/11:

Rates per Quarter based on one REU*	Water	Sewer	Quarterly Service Charge	Minimum Quarterly**
2012	\$43.80	\$34.05	\$4.05	\$81.90
2013	\$44.10	\$33.30	\$4.65	\$82.05
Increase/(Decrease)	1%	(2%)	15%	0%
2014	\$44.55	\$32.70	\$4.80	\$82.05
Increase/(Decrease)	1%	(2%)	3%	0

*REU is a Residential Equivalent Unit

**These charges do NOT include the monthly water charge assessed by the St. Georges Water Co-op

The proposed rates were based on the following expense projections:

	2011	2012	2013
Administration expenses	1,500	1,545	1,591
Equity surcharge	267	467	467
Total general	1,767	2,012	2,058
Water			
Purification and treatment	1,000	1,030	1,060
Amortization/ depreciation	2,023	2,023	2,023
Engineering assessment	2,000	2,000	2,000
Contingency	500	500	500
Sub-total- water expenses	5,523	5,553	5,583
Less: Amort. of capital grants	2,023	2,023	2,023
Net - water expenses	3,500	3,530	3,560
Sewer			
Sewage Treatment and Disposal	600	618	636
Amortization/ depreciation	6,879	6,457	6,045
Minor capital upgrades	10,000	10,000	10,000
Contingency	2,250	2,250	2,250
Sewer expenses	19,729	19,325	18,931

The minor capital upgrades expense is related to a \$30,000 improvement at the St. George's lagoon and could potentially lead to a rate decrease in 2014 once fully amortized.

3. The Pine Grove water treatment and distribution system

The following rates were proposed in by-law 11/11:

	Estimated Annual Expenses	# of Customers	Estimated Annual Charge*
2009 Actual	\$6,556	60	\$109
2010 Budgeted	\$6,986	60	\$116
2012 Estimate	\$19,000	60	\$317
2013 Estimate	\$19,210	60	\$320
2014 Estimate	\$19,426	60	\$324

*These amounts are calculated by the Board based on the information provided by the RM

The proposed rates were based on the following expense projections:

	2011	2012	2013
Administration expenses	1,500	1,54	1,591
Equity surcharge	405	407	410
Net general	1,905	1,952	2,001
Water			
Operating expenses	7,000	7,210	7,426
Amortization/ depreciation	20,000	20,000	20,000
Engineering assessment	2,000	2,000	2,000
Minor capital upgrades	10,000	10,000	10,000
Sub-total- water expenses	39,000	39,210	39,426
Less: Amort. of cap. grants	20,000	20,000	20,000
Net water	19,000	19,210	19,426

The \$10,000 annual provision for minor capital is in essence a reserve provision related to an anticipated future upgrading cost of the system.

It was noted that, because this utility was never operated as a separate utility, the projected costs are based on broad estimates and may vary once separate accounting practices track actual costs.

4. The truck haul utility

The following rates were proposed in By-law 12/11:

Volumetric charge for lagoon tipping fees, in addition to an annual customer charge; haulers are to be billed monthly	
Rates per 1,000 gallons	\$3.70
Customer Annual Charge	\$15.00
1,000 gallon vehicle	\$3.70
2,000 gallon vehicle	\$7.40
3,000 gallon vehicle	\$11.10
4,000 gallon vehicle	\$14.80
5,000 gallon vehicle	\$18.50

No fees have been charged for lagoon services, with the expense having been absorbed by the RM's operating fund.

The proposed rates were based on the following expense projections:

	2011	2012	2013
Administration	2,500	2,575	2,652
Equity surcharge	211	212	213
	2,711	2,787	2,865
Sewer			
Operating expenses	1,200	1,236	1,273
Amortization/ depreciation	13,409	13,409	13,409
Contingency	4,000	4,000	4,000
	18,609	18,645	18,682

Public Hearing and Input

The hearing took place as scheduled and was well attended with approximately 75 people present. In addition, the applicant and the Board received written representations from customers. While several people spoke about various concerns, the primary issues were as outlined below:

- The residents of Great Falls, represented by Mr. L. Metzler, expressed significant concern over rising rates in light of the fact that the water is not potable. They were also concerned that the utility was incurring deficits, despite having a free water supply from Manitoba Hydro. They also questioned whether or not all are being treated equally, with some areas receiving free lagoon service and others having to pay. The question of equitability was also applied to those standpipe users who have

not paid for their service, and the probable write-off of expenses, this to be borne by paying customers. Finally they expressed concerns over the past deficits and how they were to be recovered, again with equitability as their main theme.

- The Pine Grove Estates, represented by Mr. W Karle, expressed concern over the effect of the added \$10,000 upgrade provision, given that the justification presented was unclear. They recommended that this item be disallowed and brought forward when more specific information is known. They also wanted to make certain that the rate was reduced after three years to reflect full amortization of the engineering assessment.
- Ms. M. Schneider, speaking from a truck hauler's perspective, opined that the cost of the lagoon was already being paid for by home owners in their mill rate, because the value of homes with septic tanks was assessed higher than those without. Her view was that this would result in a double charge to those homeowners, as the haulers would have to pass on to their customers the extra cost of doing business as represented by the hauling charge.

Board Findings

The Board has found this application to be one of the more complex, water and sewer applications it has dealt with in recent years. The separation of existing utility-related operations from the general operating fund operations to create new utilities, the establishment of rates where none previously existed, and the involved participation of a large number of customers were all evidence of the importance of this application.

The Board wishes to thank all who involved themselves to provide more clarity for the Board in considering the application, including RM officials, their consultant and the numerous customers who wrote, telephoned and attended the hearing.

The Board generally found the submissions to be well thought out and supported. With respect to the matter of the expense projections being one year out of sync with the rate requests, the major variances were attributable to major items being amortized over a three year period. The Board concluded that moving that amortization period forward one year did not have any significant impact on rate determination. Nonetheless, the Board will make some minor variances to the submission.

Great Falls

The proposed rates for Great Falls will be approved as submitted. The rate increase is significant, however, there has not been a review since 1994. Periodic rate increases along the way would have gone some distance in mitigating against the rate shock being imposed on customers today. This supports the need for regular rate studies and reviews.

The Board understands the frustration of residents over the water quality situation, noting that this is not under the RM's direct control, and that Manitoba Hydro, who is providing the water supply free of charge, has undertaken to address the potability issue. The Board encourages the RM to actively follow-up with Manitoba Hydro as to their plans and progress in this regard.

The Utility's expenses are real and projections appear to be reasonable. Rates to support those expenses are essential to avoid

operational deficits, which of course are not allowed without Board approval.

The Board is concerned that the standpipe water users are not paying their fair share of costs and encourages the RM to aggressively pursue collections, recognizing that this may be difficult given the circumstances. At the very least, keys should be retrieved from none paying customers. It is indeed unfair that good-paying customers have to support the transgression of those who do not pay.

As to the concern expressed about how deficits will be recovered, the Board notes that it has not yet received a deficit approval application from the RM for this utility. The Board will direct that this be done immediately, and advises the RM to carefully consider the concerns expressed by the residents in designing and recommending their recovery plan. The Board will as always look for fairness and reasonability.

Cap Dore Water Distribution and Cap Dore/St. Georges Sewer Collection and Treatment Utility

The Board will vary the application for this utility by removing the "place mark", included in the sewer rate application, of \$10,000 for the three rate years involved, and replaced with a reserve for minor capital upgrades of \$2,000 per year. If and when more specificity is available concerning projects intended to be covered by these amounts, the RM may return to the Board for amended rates.

The Board also notes that the engineering assessment of \$2,000, included in calculating the water rates, has a three year time limit. Barring rate increase requirement for other purposes, the rates for

2015 will need to be adjusted to reflect this, and a revised rate By-law submitted to the Board.

Pine Grove

The Pine Grove application will be amended to remove the "place mark" included of \$10,000 for the three rate years involved and replaced with a reserve for minor capital upgrades of \$2,000 per year. If and when more specificity is available concerning projects intended to be covered by these amounts, the RM may return to the Board for amended rates.

The Board also notes that the engineering assessment of \$2,000 has a three year time limit. Barring rate increase requirement for other purposes, the rates for 2015 will need to be adjusted to reflect this, and a revised rate By-law submitted to the Board.

The truck haul utility

The Board has and will continue to support the user pay concept. In order to deliver this concept, it is necessary to determine what the true cost of operations are. Establishing a separate operation is a critical step towards that objective. On that basis, the Board will approve the application to declare this a public utility.

The argument presented on behalf of the truck haulers, that residents will in effect be double-charged, is an interesting one. The principle behind this position is that the assessed value of homes with septic tanks is higher than those without, and therefore the home-owners are paying for lagoon expenses through their property taxes. When the haulers pass on their higher costs as a result of these utility rates being imposed, the view is that they will be paying twice.

While the Board understands the logic of the proposition, it finds fault with the practical application. The argument would suggest that the higher taxes match exactly the cost of operating the lagoons. This is not likely the case and has not been demonstrated.

It may or may not be possible to determine exactly how much more in taxes these residents are paying than their counterparts. If this indeed is possible, the RM may consider whether it wants to transfer this calculated portion of the "extra" taxes to the utility as a revenue contribution to offset the indicated hauler rates of the new utility, and return to the Board with an alternate proposal.

Lacking a demonstrated case, and an indication by the RM that it supports the concept, the Board will approve the rates as submitted.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure.

IT IS THEREFORE ORDERED THAT:

1. Revised water and sewer rates effective for January 1 of each of 2012, 2013 and 2014, as shown on Schedule "A" attached to this Order for the Rural Municipality of Alexander's Great Falls Water and Sewer Utility BE AND ARE HEREBY APPROVED.
2. New water and sewer rates effective for January 1 of each of 2012, 2013 and 2014, as shown on Schedule "B" attached to this Order for the Rural Municipality of Alexander's Cap Dore Water Distribution and Cap Dore/St. Georges Sewer Collection and Treatment Utility BE AND ARE HEREBY APPROVED.
3. New water rates effective for January 1 of each of 2012, 2013 and 2014, as shown on Schedule "C" attached to this Order for the Rural Municipality of Alexander's Pine Grove Water Treatment and Distribution Utility BE AND ARE HEREBY APPROVED.
4. The lagoon operations in Traverse Bay and along Highway 304, hereafter denoted as the Rural Municipality of Alexander's Truck Haul Utility, BE AND IS HEREBY DECLARED A PUBLIC UTILITY.
5. New lagoon tipping fees effective for January 1 of each of 2012, 2013 and 2014, as shown on Schedule "D" attached to this Order for the Rural Municipality of Alexander's Truck Haul Utility BE AND ARE HEREBY APPROVED.
6. The Rural Municipality of Alexander prepare and submit By-laws for each of the four utilities to reflect the decision of this Order once they have received third and final reading.

7. The Rural Municipality of Alexander amend the rates for the Pine Grove and Cap Dore Water Distribution utilities, effective January 1, 2015 to reflect the removal of their respective amortization expenses for the engineering assessment. Revised By-laws are to be submitted to the Board at that time.
8. The Rural Municipality of Alexander determine if operating deficits were incurred for the Great Falls Utility for 2009 and 2010, and if so, submit an appropriate application to the Board, supported by a Council Resolution, identifying the proposed method of recovery.
9. The Rural Municipality of Alexander review its rate requirements for these four utilities for 2015 forward, and if deemed required, submit a rate application to the Board on or before June 30, 2014.

Fees payable upon this Order - \$1,500.00

THE PUBLIC UTILITIES BOARD

"SUSAN PROVEN, P.H.Ec."

Acting Chair

"KURT SIMONSEN, P.Eng."

Acting Secretary

Certified a true copy of Order No.
59/12 issued by The Public Utilities
Board

Acting Secretary

SCHEDULE "A"
TO BOARD ORDER NO. 59/12
RURAL MUNICIPALITY OF ALEXANDER
GREAT FALLS WATER AND SEWER UTILITY
WATER AND SEWER RATES

SCHEDULE OF QUARTERLY RATES:

1. COMMODITY RATES PER M.G. (1,000 GALS)

	<u>Water</u>	<u>Sewer</u>	<u>Water & Sewer</u>
All Water Consumption 2012	\$17.55	\$10.00	\$27.55
All Water Consumption 2013	\$13.75	\$10.30	\$24.05
All Water Consumption 2014	\$14.00	\$10.65	\$24.65

2. QUARTERLY MINIMUM CHARGES

Notwithstanding the Commodity Rates set forth in paragraph 1 hereof, all customers will pay the applicable minimum charges set out below, which will include water allowances indicated.

(a) Water & Sewer Customers Rates 2012

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included (Gallons)</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	3,000	\$15.00	\$52.65	\$30.00	\$ 97.65
3/4"	2	6,000	\$15.00	\$105.30	\$60.00	\$180.30
1"	4	12,000	\$15.00	\$210.60	\$120.00	\$345.60

(b) Water & Sewer Customers Rates 2013

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included (Gallons)</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	3,000	\$15.00	\$41.25	\$30.90	\$ 87.15
3/4"	2	6,000	\$15.00	\$82.50	\$61.80	\$159.30
1"	4	12,000	\$15.00	\$165.00	\$123.60	\$303.60

(c) Water & Sewer Customers Rates 2014

<u>Meter Size</u>	<u>Group Capacity Ratio</u>	<u>Water Included (Gallons)</u>	<u>Customer Service Charge</u>	<u>Commodity Charges</u>		<u>Total Quarterly Minimum</u>
				<u>Water</u>	<u>Sewer</u>	
5/8"	1	3,000	\$15.00	\$42.00	\$31.95	\$ 88.95
3/4"	2	6,000	\$15.00	\$84.00	\$63.90	\$162.90
1"	4	12,000	\$15.00	\$168.00	\$127.80	\$310.80

(d) Water Only Customers

Minimum charge will be the same for each meter size as shown, in Clause 2(a), 2(b) and 2(c) but the Sewer Commodity Charge will be excluded.

(c) Sewer Only Customers

The minimum charge will be the same for each meter size, as shown in Clause 2(a), 2(b) and 2(c) but the Water Commodity Charge will be excluded.

3. BULK SALES RATE

All water sold in bulk by the Rural Municipality shall be charged for at \$10.00 per 1,000 gallons for the year 2012, \$10.30 per 1,000 gallons for the year 2013 and \$10.65 per 1,000 gallons for the year 2014 on a prorated basis for all quantities greater than 500 gallons. For any quantity of 500 gallons or less the minimum charge will be \$5.00 for the year 2012, \$5.15 for the year 2013 and \$5.30 for the year 2014.

4. SERVICE TO CUSTOMERS OUTSIDE L.I.D. LIMITS

- a. The Council of the Rural Municipality of Alexander may sign agreements with customers for the provision of water and sewer services to properties located outside the legal boundaries of the Unincorporated Community of Great Falls. Such agreements shall provide for payment of the appropriate rates set out in the schedule, as well as a surcharge set by resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for Utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries.
- b. All costs of connecting to the Utility's mains and installing and maintaining service connection will be paid by the customer.

5. BILLINGS AND PENALTIES

- a. Accounts shall be billed quarterly, and shall be due and payable the last working day of the month following the month in which the bills are issued. A late payment charge of one and a quarter percent (1 ¼ %) per month shall be charged on the dollar amount owing after the billing due date.

6. DISCONNECTION

Service may be disconnected and discontinued immediately and without further notice as per the PUB Order 127/08, Condition Precedent for the provision of reasonable notice to customers prior to disconnection.

7. RE-CONNECTION

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$30.00 have been paid.

8. OUTSTANDING BILLS

Pursuant to Section 252(2) of The Municipal Act, the amount of all outstanding charges for water and sewer service are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

9. HYDRANT RENTALS

The Unincorporated Community of Great Falls will pay to the Utility an annual rental of \$100.00 for each hydrant connected to the system.

10. WATER ALLOWANCE DUE TO LINE FREEZING

That in any case where, at the request of the Municipality, a customer allows water to run continuously for any period of time to prevent the water lines in the water system from freezing, the charge to that customer for the current quarter shall be the average of the billings for the last two previous quarters to the same customer, or to the same premises if the occupant has changed.

11. FUTURE WATER AND SEWER UTILITY CAPITAL PROJECTS

The proposed new rates include a provision for the replacement of meters, as necessary, throughout the existing system. This installation will include Outside Readers and potentially the installation of Automatic Readers depending on Installation Cost compared to Budget.

Additionally, it is the intent of the municipality, over the next 3-years, to ensure the provision of potable water, which meets the regulatory requirements of the Province of Manitoba. It is the desire of the municipality, if at all possible, to have this problem addressed, as per the agreement with Manitoba Hydro, on or before the 31st day of December, 2012.

The cost of these improvements is estimated at:

- a. Meters
 - \$7,000.00/year starting in 2011 and ending in 2014
- b. Provision of Potable Water
 - 2011 – Negotiate a Source of Potable Water
 - 2011 – Initiate the necessary Engineering
 - 2012 – Commence Construction
 - Unfortunately at this time there are no preliminary cost estimate for this work.

12. RATE REVIEW PERIOD

The proposed rates, included in this study have been budgeted to be in effect for a 3-year period (January 1st, 2012 to December 31st, 2014) and be reassessed at the conclusion of this period of time. This plan will ensure that the rates charged reflect the actual costs to run the Utility as the Great Falls Water & Sewer Utility expands in size and/or the number of customers and that the rates remain fair to the customers.

13 SEWAGE SURCHARGES

- a. There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen demand in excess of 300 parts per million, to be set by resolution of Council.
- b. A special purchase for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.

14. WATER METERS

- a. All customers of the Utility, connected to the Water Utility, shall be metered.
- b. Any new residential customer shall be required to have the meter installed by a qualified plumber certified by the Province of Manitoba, at their sole cost. The certified plumber shall be responsible to:
 - i. Install the meter plus the appropriate Meter Reading mechanism as provided by the Utility; and
 - ii. Ensure that the installation is inspected by the Utility's representative and secured in such manner as established by the Utility.
- c. Ownership, inspection and maintenance of meters shall remain the responsibility of the Utility System. Commercial meter maintenance will be the responsibility of the Utility System but will be billed to the Commercial User.
- d. Upon inspection, if it is found that the security mechanism has been altered in any manner the owner of the property shall be assessed a fee of \$100.00 to ensure an accurate reading, inside meter and outside reader plus re-securing the meter.

15. METER TESTING CHARGES

- a. Any consumer desiring and requesting their meter be tested for accuracy shall deposit with the Rural Municipality of Alexander the sum of \$25.00, which shall be retained by the municipality if the meter, when tested, is found to register within the allowable limits of variation from accuracy. If the meter shall be found to register in excess of allowable limits the deposit shall be refunded and the consumer's account adjusted.
- b. The allowable limit of variation shall be four percent (4%) of average flow.

SCHEDULE "B"
TO BOARD ORDER NO. 59/12
RURAL MUNICIPALITY OF ALEXANDER
CAP DORE WATER DISTRIBUTION AND CAP DORE/ST. GEORGES SEWER COLLECTION AND TREATMENT UTILITY
WATER AND SEWER RATES

SCHEDULE OF QUARTERLY RATES:

1. COMMODITY RATES PER QUARTER PER RESIDENTIAL EQUIVALENT UNIT (REU)

	<u>Water/REU</u>	<u>Sewer/REU</u>	<u>Quarterly Service Charge</u>
a) All Water Consumption 2012	\$43.75	\$20.22	\$4.05
b) All Water Consumption 2013	\$44.13	\$19.83	\$4.65
c) All Water Consumption 2014	\$44.51	\$18.85	\$4.80

2. REU ALLOCATIONS

Customer	REU Assigned
Residential (single family)	1
Non-residential:	
RM Office	3
Winnipeg River Echo Newspaper	1
Foyer Chateauguay (55+ complex)	16
Church	3
Museum	1
Condo Complex	9
Ecole Communautaire de St. Georges	12
Bibliotheque	1
McDougall Mall	8

Water Only Customers

The quarterly charge will be the same for Water Distribution Customers, as shown in Clauses 1(a), 1(b) and 1(c) but the Sewer Commodity Charge will be excluded.

Sewer Only Customers

The quarterly charge will be the same for Sewer Collection and Treatment Customers, as shown in Clause 1(a), 1(b) and 1(c) but the Water Commodity Charge will be excluded.

3. BULK SALES RATE

There are no provisions for the Bulk Sale of Water.

4. SERVICE TO CUSTOMERS OUTSIDE L.I.D. LIMITS

- a. The Council of the Rural Municipality of Alexander may sign agreements with customers for the provision of water distribution and sewer collection and treatment services to properties located outside the boundaries of the Unincorporated Communities of Cap Dore and St. Georges. Such agreements shall provide for payment of the appropriate rates set out in the schedule, as well as a surcharge set by resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for Utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries.
- b. All costs of connecting to the Utility's mains and installing and maintaining service connection will be paid by the customer.

5. BILLINGS AND PENALTIES

- a. Accounts shall be billed quarterly, and the due date will be at least fourteen days after the mailing of the bills. A late payment charge of one and a quarter percent (1 ¼ %) per month shall be charged on the dollar amount owing after the billing due date.

6. DISCONNECTION

Service may be disconnected and discontinued immediately and without further notice as per the PUB Order 127/08, Condition Precedent for the provision of reasonable notice to customers prior to disconnection.

7. RE-CONNECTION

Any service disconnected due to non-payment of account shall not be reconnected until all arrears, penalties and a reconnection fee of \$30.00 have been paid.

8. OUTSTANDING BILLS

Pursuant to Section 573(1)(d) of The Municipal Act, the amount of all outstanding charges for water and sewer service are a lien and charge upon the land serviced, and shall be collected in the same manner in which ordinary taxes upon the land are collectible, and with like remedies.

9. HYDRANT RENTALS

The Unincorporated Communities of St. Georges and Cap Dore will pay to the Utility an annual rental of \$100.00 for each hydrant connected to the system.

10. FUTURE WATER AND SEWER UTILITY CAPITAL PROJECTS

It is the intent of the municipality, over the next 3-years, to ensure the provision of potable water, which meets the regulatory requirements of the Province of Manitoba. It is the desire of the Municipality, if at all possible, to have this problem addressed, as soon as possible and preferably no later than the end of the 2012 Construction Season.

The cost of these improvements, at this time, is an unknown as is the most cost effective resolution to the issue of providing potable water.

11. RATE REVIEW PERIOD

The proposed rates, included in this study have been budgeted to be in effect for a 3-year period (January 1st, 2012 to December 31st, 2014) and be reassessed prior to the conclusion of this period of time. This plan will ensure that the rates charged reflect the actual costs to run the Utility as the Cap Dore Water Distribution and the Cap Dore/St. Georges Sewer Collection and Treatment Utility expands in size and/or the number of customers and that the rates remain fair to the customers.

12. SEWAGE SURCHARGES

- a. There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen demand in excess of 300 parts per million, to be set by resolution of Council.
- b. A special purchase for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.

13. WATER METERS

- a. At this time the Cap Dore Water Distribution and the Cap Dore/St. Georges Sewer Collection and Treatment Utility is an Unmetered System.

SCHEDULE "C"
TO BOARD ORDER NO. 59/12
RURAL MUNICIPALITY OF ALEXANDER
PINE GROVE WATER TREATMENT AND DISTRIBUTION UTILITY
WATER RATES

Pine Grove Annual Water Charges		
2012	2013	2014
\$183	\$187	\$190

*These amounts are calculated by the Board based on the information provided by the RM

SCHEDULE "D"
TO BOARD ORDER NO. 59/12
RURAL MUNICIPALITY OF ALEXANDER
TRUCK HAUL UTILITY
WATER AND SEWER RATES

SCHEDULE OF RATES:

1. COMMODITY RATES PER M.G. (1,000 GALS)

	<u>Sewer</u>
All Consumption	\$3.70

2. DELIVERY CHARGES

Notwithstanding the Commodity rates set forth in paragraph 1 hereof, all customers will pay the applicable charges set out below, which will include allowances indicated.

(a) Water & Sewer Customers

<u>Vehicle Size</u>	<u>Group Capacity Ratio</u>	<u>Sewer Included (Gallons)</u>	<u>Customer Annual Charge</u>	<u>Commodity Charges Sewer</u>
1000	1	1,000	\$15.00	\$ 3.70
2000	2	2,000	\$15.00	\$ 7.40
3000	3	3,000	\$15.00	\$ 11.10
4000	4	4,000	\$15.00	\$ 14.80
5000	5	5,000	\$15.00	\$ 18.50

(b) Sewer for Residential Customers

The minimum charge will be the same for each vehicle size, as shown in Clause 2(A).

(c) Sewer Commercial Users

Depending on the nature of the product received from a Commercial User the Municipality reserves the right to require the product to be tested periodically and assess such additional charges as outlined in Clause 11.

Additionally, where required, a Commercial User may be required to submit to Manitoba such reports, as determined by Manitoba Environment, prior to the use of the Municipality's Truck Haul Utility.

(d) Sewer Industrial Users

Industrial Users must provide to the Municipality, where necessary, the acceptance from Manitoba Environment for the disposal of their Industrial Septic Waste at the Municipality's Septic Wastewater Truck Haul Utility. Based on the product accepted at the facility an Industrial User may be assessed such additional charges as outlined in Clause 11.

Additionally, where required an Industrial User may be denied access to the facilities until the acceptance of Manitoba Environment is provided to the Municipality.

3. BULK SALES RATE

All Truck Haul Sewer Service in bulk by the Rural Municipality shall be charged for at \$3.70 per 1,000 based on the capacity of the vehicle with no prorated calculation on basis of quantities reported as less than 1,000 gallons.

4. SERVICE TO CUSTOMERS OUTSIDE MUNICIPALITY, TOWN, OR L.I.D. LIMITS

a. The Council of the Rural Municipality of Alexander may sign agreements with customers for the provision of Truck Haul Sewer Services to properties located outside the legal boundaries of the Rural Municipality of Alexander. Such agreements shall provide for payment of the appropriate rates set out in the schedule, as well as a surcharge set by resolution of Council, which shall be equivalent to the frontage levy, general taxes and special taxes for Utility purposes in effect at the time, or may be in effect from time to time, and which would be levied on the property concerned if it were within these boundaries.

5. BILLINGS AND PENALTIES

a. Accounts shall be billed monthly, and shall be due and payable the last working day of the month following the month in which the bills are issued. A late payment charge of 1 ¼ % per month shall be charged on the dollar amount owing after the billing due date. The due date will be at least fourteen days after the mailing of the bills.

6. DISCONNECTION

Service may be discontinued immediately and without further notice in the event of non-payment of the account. The Service Provider shall be provided 30-days notice of the discontinuation of service at Alexander's Facilities.

7. RECONNECTION

Any service disconnected, due to non-payment of account, shall not be reinstated until all arrears, penalties and a reinstatement fee of \$30.00 have been paid.

8. OUTSTANDING BILLS

Outstanding Bills shall be addressed as per Clause 6 and Clause 7.

9. FUTURE WATER AND SEWER UTILITY ASSESSMENT

It is the intent of the Rural Municipality of Alexander, over the next three-year period, and prior to the next rate review to undertake an evaluation of the service capacity of its Truck Hall Lagoons. The proposed evaluation of the Utility is intended to provide the following:

- a. A clear indication of the current volumes entering these Utilities; and
- b. Ascertain the condition of the Utility with respect to existing environmental requirements in order to determine any impending major maintenance issues; and
- c. Assess the capacity of the system and its ability to service the community into the future.

10. RATE REVIEW PERIOD

The proposed rates, included in this study have been budgeted to be in effect for a 3-year period (January 1st, 2012 to December 31st, 2014) and be reassessed prior to the conclusion of this period of time. This plan will ensure that the rates charged reflect the actual costs to run the Utility as the Municipality expands in size and population, and that the rates remain fair to the customers.

11. SEWAGE SURCHARGES

- a. There may be levied annually, in addition to rates set forth above, a special surcharge on sewage having a Biochemical Oxygen demand in excess of 300 parts per million, to be set by resolution of Council.
- b. A special purchase for substances requiring special treatment shall be charged based on the actual costs of treatment required for the particular sewage or industrial waste.